

HOUSE BILL No. 1622

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-17-20; IC 6-1.1-17-21.

Synopsis: Authority of appointed boards. Requires the property tax levy, the property tax rate, a lease with an original term of at least five years, and bonded indebtedness of a civil taxing unit (other than an excluded city in Marion County) that does not have a majority of elected members to be approved by the city, town, or county fiscal body.

Effective: July 1, 1999.

Murphy

January 21, 1999, read first time and referred to Committee on Local Government.



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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1622

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-17-20 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 20. (a) This section
3 applies:

4 (1) to each governing body of a taxing unit that is not comprised
5 of a majority of officials who are elected to serve on the
6 governing body; and

7 (2) if the proposed property tax levy for the taxing unit for the
8 ensuing calendar year is more than five percent (5%) greater than
9 the property tax levy for the taxing unit for the current calendar
10 year.

11 **However, this section does not apply to a civil taxing unit required**
12 **to submit its proposed property tax levy and property tax rate to**
13 **a fiscal body for approval under section 21 of this chapter.**

14 (b) As used in this section, "taxing unit" has the meaning set forth
15 in IC 6-1.1-1-21, except that the term does not include a school
16 corporation or a public library district.

17 (c) If:



(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted at least fourteen (14) days before the city or town fiscal body is required to hold budget approval hearings under this chapter.

(d) If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted at least fourteen (14) days before the county fiscal body is required to hold budget approval hearings under this chapter.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy. However, the fiscal body may not reduce the proposed tax levy to an amount that is less than the maximum permissible levy under IC 6-1.1-18.5-3.

SECTION 2. IC 6-1.1-17-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 21. (a) This section applies only to a civil taxing unit (as defined in IC 6-3.5-1.1-1) that has a governing body that is not comprised of a majority of officials who are elected to serve on the governing body of the civil taxing unit. However, this section does not apply to a civil taxing unit of an excluded city (as described in IC 36-3-1-7).**

(b) If:

(1) the assessed valuation of a civil taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a civil taxing unit is not entirely contained within a city or town but the civil taxing unit was originally established by the city or town;

the governing body of the civil taxing unit shall submit its proposed property tax levy and property tax rate to the city or town fiscal body. The proposed property tax levy and property tax rate shall be submitted at least fourteen (14) days before the city or town fiscal body is required to hold budget approval hearings under this chapter.

(c) If the civil taxing unit is located in a county that contains a



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consolidated city, the governing body of the civil taxing unit shall submit its proposed property tax levy and property tax rate to the city-county council in the county that contains the consolidated city. The proposed property tax levy and property tax rate shall be submitted at least fourteen (14) days before the city-county council is required to hold budget approval hearings under this chapter.

(d) If neither subsection (b) nor (c) applies, the governing body of the civil taxing unit shall submit its proposed property tax levy and property tax rate to the county fiscal body in the county where the civil taxing unit has the most assessed valuation. The proposed levy and rate shall be submitted at least fourteen (14) days before the county fiscal body is required to hold budget approval hearings under this chapter.

(e) The fiscal body for a civil taxing unit described in subsection (b), (c), or (d) shall review each property tax levy and property tax rate and adopt a final tax levy and tax rate for the civil taxing unit.

(f) Before a civil taxing unit may incur bonded indebtedness on bonds (as defined in IC 36-1-2-2) or enter into a lease with an original term of at least five (5) years, the civil taxing unit must request and obtain approval to incur the bonded indebtedness or execute the lease from the appropriate fiscal body to which the civil taxing unit must submit its proposed property tax levy under subsection (b), (c), or (d). The approval must be obtained under this subsection before requesting that the state board of tax commissioners approve the bonded indebtedness or lease.

SECTION 3. [EFFECTIVE JULY 1, 1999] IC 6-1.1-17-21, as added by this act, applies only to:

- (1) property tax levies and property tax rates for property taxes first due and payable after December 31, 1999; and
- (2) bonded indebtedness, including the refinancing of a bonded indebtedness, and leases for which an initial public notice of the proposed bond issue or lease is published after December 31, 1999.

